

2400 Department of Managed Health Care

The mission of the Department of Managed Health Care is to help California consumers resolve problems with their Health Maintenance Organizations (HMOs) and to ensure a better, more solvent and stable managed health care system through:

- Administration and enforcement of California's HMO patient rights laws.
- Operating the 24-hour-a-day HMO Help Center.
- Licensing and overseeing all HMOs in the state.

3-YR EXPENDITURES AND PERSONNEL YEARS (Summary of Program Requirements)

	Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
30 Health Plan Program	210.5	246.0	254.1	\$39,344	\$43,099	\$49,186
50.01 Administration	78.2	78.4	80.3	9,116	9,278	10,540
50.02 Distributed Administration	-	-	-	-9,116	-9,278	-10,540
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	288.7	324.4	334.4	\$39,344	\$43,099	\$49,186
FUNDING				2008-09*	2009-10*	2010-11*
0933 Managed Care Fund				\$39,151	\$42,889	\$48,976
0995 Reimbursements				193	210	210
TOTALS, EXPENDITURES, ALL FUNDS				\$39,344	\$43,099	\$49,186

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 1340-1399.64 inclusive; California Code of Regulations, Title 28, Sections 1300.43-1300.826.

MAJOR PROGRAM CHANGES

- The Governor's Budget proposes \$910,000 and 8.5 positions for workload associated with reviewing denial-of-treatment claims filed by patients pursuant to Chapter 9, Statutes of 2009. It is anticipated most claims will concern treatments for autism spectrum conditions.

DETAILED BUDGET ADJUSTMENTS

	2009-10*			2010-11*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• New Workload Pursuant to ABX4 9	\$-	\$-	-	\$-	\$910	8.6
• Various Baseline Adjustments	-	-4,660	-	-	318	-
• Conversion of Limited-Term Positions to Permanent	-	-	-	-	199	1.9
• Help Center Temporary Staff Conversion	-	-	-	-	-	3.8
• Office of the Patient Advocate (OPA) Website and Annual Report Card Workload	-	-	-	-	-	1.9
Totals, Other Workload Budget Adjustments	\$-	-\$4,660	-	\$-	\$1,427	16.2
Totals, Workload Budget Adjustments	\$-	-\$4,660	-	\$-	\$1,427	16.2
Totals, Budget Adjustments	\$-	-\$4,660	-	\$-	\$1,427	16.2

PROGRAM DESCRIPTIONS (Program Objectives Statement)

30 - HEALTH PLAN PROGRAM

The Health Plan Program's objective is to assure the accessibility and availability of medically necessary health care delivered to the public with appropriate quality-of-care oversight and through financially sound managed care plans. Through focused collaboration and coordination, these programs advance sound health policy and "The Right Care at the Right Time" for all Californian enrollees. The program licenses health care service plans, conducts routine and non-routine financial and medical surveys, and operates a consumer services toll-free complaint line (1-888-HMO-2219). Within this

* Dollars in thousands, except in Salary Range.

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program, the Office of the Patient Advocate helps educate consumers about their rights and responsibilities.

50 - ADMINISTRATION

The Administration Program provides services essential for the administration of the Department and its programs, including executive, administrative, and information technology support.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2008-09*	2009-10*	2010-11*
PROGRAM REQUIREMENTS				
30	HEALTH PLAN PROGRAM			
	State Operations:			
0933	Managed Care Fund	\$39,151	\$42,889	\$48,976
0995	Reimbursements	193	210	210
	Totals, State Operations	\$39,344	\$43,099	\$49,186
ELEMENT REQUIREMENTS				
30.10	Health Care Service Plans	\$37,970	\$40,726	\$46,799
	State Operations:			
0933	Managed Care Fund	37,778	40,516	46,589
0995	Reimbursements	192	210	210
30.20	Office of Patient Advocate	\$1,374	\$2,373	\$2,387
	State Operations:			
0933	Managed Care Fund	1,374	2,373	2,387
TOTALS, EXPENDITURES				
	State Operations	39,344	43,099	49,186
	Totals, Expenditures	\$39,344	\$43,099	\$49,186

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions/Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	288.7	335.0	333.0	\$19,259	\$19,756	\$23,255
Total Adjustments	-	4.5	17.0	-	-	975
Estimated Salary Savings	-	-15.1	-15.6	-	-880	-1,081
Net Totals, Salaries and Wages	288.7	324.4	334.4	\$19,259	\$18,876	\$23,149
Staff Benefits	-	-	-	6,471	6,717	8,238
Totals, Personal Services	288.7	324.4	334.4	\$25,730	\$25,593	\$31,387
OPERATING EXPENSES AND EQUIPMENT				\$13,614	\$17,506	\$17,799
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$39,344	\$43,099	\$49,186

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2008-09*	2009-10*	2010-11*
0933 Managed Care Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$41,588	\$44,894	\$46,589
Allocation for employee compensation	74	-	-
Adjustment per Section 3.60	-11	61	-
Reduction per Section 3.90	-527	-3,682	-
Adjustment per Section 3.55	-	-27	-

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1 STATE OPERATIONS	2008-09*	2009-10*	2010-11*
002 Budget Act appropriation	2,456	2,655	2,387
Allocation for employee compensation	1	-	-
Adjustment per Section 3.60	-	2	-
Reduction per Section 3.90	-19	-138	-
Adjustment per Section 3.55	-	-3	-
Totals Available	\$43,562	\$43,762	\$48,976
Unexpended balance, estimated savings	-4,411	-873	-
TOTALS, EXPENDITURES	\$39,151	\$42,889	\$48,976
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$193	\$210	\$210
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$39,344	\$43,099	\$49,186

FUND CONDITION STATEMENTS

	2008-09*	2009-10*	2010-11*
0933 Managed Care Fund^s			
BEGINNING BALANCE	\$10,309	\$8,889	\$3,529
Prior year adjustments	1,774	-	-
Adjusted Beginning Balance	\$12,083	\$8,889	\$3,529
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	31,929	36,233	46,671
142500 Miscellaneous Services to the Public	1	1	1
150300 Income From Surplus Money Investments	628	125	125
161900 Other Revenue - Cost Recoveries	1,315	1,200	1,200
164300 Penalty Assessments	13,100	-	-
Transfers and Other Adjustments:			
TO0313 To Major Risk Medical Insurance Fund per Chapter 607, Statues of 2008 Section 12(B)	-10,000	-	-
TO8034 To Medically Underserved Account for Physicians, Health Professions Education Fund per Chapter 607, Statues of 2008 Section 12(A)	-1,000	-	-
Total Revenues, Transfers, and Other Adjustments	\$35,973	\$37,559	\$47,997
Total Resources	\$48,056	\$46,448	\$51,526
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	16	30	74
2400 Department of Managed Health Care (State Operations)	39,151	42,889	48,976
8880 Financial Information System for California (State Operations)	-	-	26
Total Expenditures and Expenditure Adjustments	\$39,167	\$42,919	\$49,076
FUND BALANCE	\$8,889	\$3,529	\$2,450
Reserve for economic uncertainties	8,889	3,529	2,450
3133 Managed Care Administrative Fines and Penalties Fund^s			
BEGINNING BALANCE	-	\$1,939	\$3,118
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	\$16	20	8
164300 Penalty Assessments	1,923	3,200	1,500
Transfers and Other Adjustments:			
TO0313 To Major Risk Medical Insurance Fund per Item 4280-112-3133, Budget Acts	-	-1,041	-2,220

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	2008-09*	2009-10*	2010-11*
TO8034 To Medically Underserved Account for Physicians, Health Professions Education	-	-1,000	-1,000
Fund per Chapter 607, Statues 2008 Section 12(a)			
Total Revenues, Transfers, and Other Adjustments	<u>\$1,939</u>	<u>\$1,179</u>	<u>-\$1,712</u>
Total Resources	<u>\$1,939</u>	<u>\$3,118</u>	<u>\$1,406</u>
FUND BALANCE	\$1,939	\$3,118	\$1,406
Reserve for economic uncertainties	1,939	3,118	1,406

CHANGES IN AUTHORIZED POSITIONS

	Positions/Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
Totals, Authorized Positions	288.7	335.0	333.0	\$19,259	\$19,756	\$23,255
Proposed New Positions:				Salary Range		
Health Plan Oversight:						
Health Program Spec I	-	-	1.0	4,833-5,874	-	64
Assoc Health Program Adv	-	-	1.0	4,400-5,348	-	59
Help Center:						
Staff Counsel	-	0.5	1.0	5,638-6,818	-	75
Assoc Health Program Adv	-	1.5	3.0	4,400-5,348	-	175
Staff Services Analyst	-	1.0	2.0	2,817-4,446	-	87
Consumer Assistance Techn	-	-	4.0	2,638-3,209	-	140
Provider Oversight:						
Staff Counsel III (Spec)	-	0.5	1.0	7,682-9,478	-	103
Assoc Govt Prog Analyst	-	1.0	2.0	4,400-5,348	-	117
Technology & Innovation:						
Staff Programmer Analyst (Spec)	-	-	2.0	5,065-6,466	-	155
Totals Proposed New Positions	<u>-</u>	<u>4.5</u>	<u>17.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$975</u>
Total Adjustments	<u>-</u>	<u>4.5</u>	<u>17.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$975</u>
TOTALS, SALARIES AND WAGES	288.7	339.5	350.0	\$19,259	\$19,756	\$24,230

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